



# Memorandum

**TO:** MAYOR REED**FROM:** Councilmember Kansen Chu**SUBJECT:** BUDGET DOCUMENT**DATE:** November 12, 2009

Approved

Date 11/12/09

**RECOMMENDATION**

Direct Redevelopment Agency staff to:

1. Contact all parties to Redevelopment Agency contracts and attempt to renegotiate those contracts for the benefit of the Agency;
2. Identify which parties agree to renegotiate their contracts and which parties refuse to do so and provide this information to the Board far enough in advance of the Board's meeting on December 8, 2009 to allow for thorough consideration; and
3. Report to the Board on the progress of all efforts to renegotiate contracts. This information also must be provided far enough in advance of the December 8, 2009 Board meeting to allow for thorough consideration.

**BACKGROUND**

Over the past year, at the request of the City, city employees have opened and renegotiated their contracts to help address the budget deficit. Staff has reported that they were renegotiating all the other City and RDA contracts as well. We have received an update on the cooperation of the City employee unions, but no update on the outcome of the effort to renegotiate all other contracts, including services, projects, leases, etc. This information is essential to an informed decision on the Redevelopment Agency budget.

**New Expenditure/Reinstatement**

Program/Project Title:

RDA Project Area: CitywideAmount of Agency Funding Required: \$ N/A**Funding Source**

Program/Project Title:

Amount of Agency Funding Change: \$ N/AThis change is:        One-time   X   Ongoing

## **Anticipated Outcomes**

Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc. in accordance with one of the following goals and objectives relevant to the City's redevelopment efforts:

- ☐ Create Jobs and Expand Business
- ☐ Build Public Facilities
- ☒ Strong Neighborhoods Initiative and Affordable Housing